

# LABOR INFORMAL CONDITIONS IN BRAZILIAN TERTIARY ACTIVITIES<sup>\*</sup>

*Anita Kon*<sup>\*\*</sup>

## 1. Introduction

The role played by the services sectors in the economic development is fundamental at any level of the evolution process. While such sectors exhibit different features in the economies of developed and undeveloped countries, they remain the primary source of employment in each one. However, this role is extended far beyond the mere job creation. The growth of this sectors within an economy is a fundamental requirement for development rather than simply its final result or product. Therefore, the proper provisioning of tertiary activities is a crucial element in the dynamics of the development process of any economy.

The productive restructuring in economies at different development levels has been associated with the speed and level of technological innovation investments regarding production and organizational processes. This is especially so in the services sectors, which includes telematics and other telecommunications processes as well as information technology services, that are associated with the transfer of expertise and knowledge. In addition, the importance of services in foreign trade has been seen from the experiences of both modernized and less-developed economies. Additionally, the country's development of the services sectors typically seen to coincide with the diffusion of global and regional development of that country and its economy.

This paper aims to examine some aspects of the changes in the Brazilian labor framework that have been caused by the productive restructuring process which, in turn, has led to an increase in the service industries. Among several determinants and results of this process, the article aims to examine one more specifically subject, which is the distribution of workers in the informal tertiary activities of Brazilian labor market.

---

<sup>\*</sup> Paper to be presented at the International Industrial Relations Association (IIRA)- 13<sup>th</sup> World Congress, on September 8-12, 2003 at Freie Universität Berlin, Germany.

<sup>\*\*</sup> Professor at Getúlio Vargas Foundation (FGV-EAESP) and at Catholic University (PUC/SP) São Paulo, Brazil .

Regarding these services activities informality, the analysis assumes the concept that not only own-account occupations but also jobs with no legal contract in firms have essentially the character of informal work in the context of the labor market, although it can be found a lot of situations of workers that were framed in the context of formal enterprises (according to theoretical definitions), but with informal conditions. The analysis of the tertiary activities deserves special attention, having in mind that it is a paradigm of other developing countries of similar development levels.

There are initially examined in this article some theoretical concepts about the dynamics of the service sector and about informality, aiming to characterize the specific nature of these situations in the context of Brazilian labor market. In sequence it is evaluated this occupations distribution in the Tertiary sector, through a more subdivided sector approach and also in occupational categories.

## **2. The dynamics of the service sector.**

Services activities are currently the crux of a broader economic revolution that is taking place in both developed and developing countries. This phenomenon has arisen from the productive restructuring process that began in industrialized countries in the 1960s, in an attempt to adjust their economies to increasing costs and new technological and marketplace environments. According to certain authors (Nusbaumer, 1987), this new economic revolution is equal in standing to the Industrial Revolution in the 19th Century, to the appearance of corporations in the Middle Ages, and to the change from a hunter/gatherer economy to an agricultural/cattle-raising one in the early days of recorded history. Since the 1960s, the reduction of physical labor as a result of computers, robots, and fully automated plants in the Industrial sector and by machinery, fertilizers, pesticides, and bio-energetic engineering in agriculture, has resulted in an employment exodus to the services sector. The economies of most developed countries are strongly directed towards services. This is primarily due to the fact that the role of services in the current global economy is

fundamental and facilitates all economic transactions, not only by providing the manufacturing sector with essential inputs, but also by allowing "forwards and backwards effects" relationships for the development of growth centers.

More recently, in the 1980s, one could note an increasing interest in services-related activities by developed European countries, particularly because such activities have been the principal source of employment positions-generation since the 1973 oil crisis (OECD, 1984; Noyelle and Stanback, 1984; Noyelle, 1986 ; Bannon, 1987; Baily and Maillat, 1986). However, little substantial research has taken place on the dynamics and placement of these activities as a dominant role in the development of other sectors and in the process of increased globalization. Only recently have services industries been the object of more focused attention. This is a result of the realization that in order to compete in global markets, countries must acquire such activities in cheaper, faster, and more efficient fashion.

The new service revolution is also transforming the organization of the international economy, as it allows production to become more internationalized. A computer, for example, contains parts made in several different countries and operates through services generated in several others. Globally produced goods compete in global markets and the internationalization of manufacturing is justified and supplemented by the mirroring internationalization of services. Thus, the internationalization of economic activity is based on the growing foreign trading of so-called auxiliary services to firms, which are primarily knowledge and information-intensive. The growth of the services sector and the implications of that growth with regard to the economic restructuring have affected productive frameworks in different manners. Such changes depend almost entirely upon the level of economic development of economies and their ability to increase investments in technological modernization and workforce education so as to meet the need requirements of new technical tasks required by modern productive and organizational processes. Production frameworks have been changing rapidly in developed countries since the increased industrialization

in the beginning of the 20th century, with the growth of the urbanization process and intensified technological innovation. Some less-developed economies started to undergo the same structural changes in the 1950s and others have only recently begun this process.

Some studies portray the restructuring of the services sector as based on the spatial division of work that affects the number and characteristics of employees located at different sites (Marshall and Wood, 1995:59). This division of work pertains to the work specialization pattern developed in the course of time to ensure efficient use of capital investments. Different countries and regions within a country specialize in specific products and sectors that provide support to locally prevalent forms of capital/labor relationship, workforce qualification, and social and community standards (Kon, 1995: Chapter 1).

During the 1950s and 1960s, the increased dominance of major manufacturers in developed countries shaped the patterns of regional industrial specialization. In their attempt to attain profit goals, these firms distributed resources on an inter-regional or international scale, looking for new opportunities to exploit labor in different locations. Not only could they move production to places where labor was cheaper, but they also tended to segregate several types of administrative and bureaucratic work (including control and research functions) from manual production labor. The impulsion of this trend was the possibility of flexible specialization, developed to face up to the persistent economic crisis that followed in the wake of the long boom of the world economy after World War II. During the course of this period, management tended to use technical advancements to organize the work process in a primarily hierarchical manner and to replace human labor, as far as possible, by machinery. This was done in accordance with the paradigm of mass production and standardized goods (Fordism), which was very well explained by authors such as Gramsci, Aglietta, Lipietz, and Luscher (Kon, 2000). This system fostered the growth of cities and increased differentiation between the areas of work, leisure, and household chores. Companies were organized in a markedly hierarchical manner, with masses of non-qualified laborers in the lower

segments of the hierarchy. Technical progress was connected to systematic processes of disqualification of major employment categories

By the late 1960s, however, the concept of Fordism faced several difficulties and many companies were forced to understand that productivity was growing at a considerably slower pace than increases in wage costs. This was so not only at major manufacturing companies, but also throughout the corporate hierarchical structures. Meanwhile, new information technologies made important opportunities available. Specially distributed branch networks could be more effectively controlled and service activities could be reformulated by means of the introduction of electronic machinery. Such machinery composed flexible automation systems at the manufacturing level that combined heavy automation with production in small lots.

Thus, during the 1970s, and particularly in the 1980s, a new form of restructuring and international division of work developed as a result of technological changes based on flexible ways to organize labor and production processes. At this point, cheaper and less qualified labor no longer offered comparative advantages. In this sense, the movement towards internationalization of capital through investments in production began to place greater emphasis on economies capable of providing more sophisticated specialized services. As a result, most industrialized and developing countries are undergoing considerable changes to the production framework of their economies, according to their ability to provide these new investments with the basic infrastructure required to support such changes.

Employment in manufacturing sectors is declining mainly as a result of certain forms of production reorganization that affect employment levels. Some factors include labor intensiveness, production and investment rationalization, and technical changes. In addition to services aimed at producers, the restructuring was also extended to private consumer services and the public services sector (Marshall and Wood, 1995: 60). When one examines the differences in representativeness of occupational categories between the 1970s and the 1990s, one notices that for all countries at all

income levels, a decrease in agricultural and rural labor and an increase in the remaining categories exists. Increases in services sectors labor have been significantly higher than those in industrial and transportation categories and, in high-income countries, the representativeness of these categories has been declining. These indicators perfectly illustrates the results of industrial restructuring and services outsourcing, as well as changes in the classification of certain services, formerly regarded as manufacturing activities, as a result of technological and organizational changes.

The development of services must therefore be seen as a component in a broader economic and social restructuring process, shaped by requirements of profitable production in market economies. Although the production of goods and services is mutually interdependent, services often play a more prevalent role in this restructuring. Services provide key-specialized knowledge and, as a result, the growth of the services sector tends to create inherently uneven development patterns (Marshall and Wood, 1995: 70).

One may regard the significant changes world economies have undergone in recent years as including, among other features: a) internationalization of economic activities; b) reorganization of dominant companies; c) increasing integration between manufacturing production and services production; d) increasing employment of microelectronics technology; e) increasing demand for a more highly qualified workforce, with several routine tasks being eliminated by technological changes; f) increasing consumer complexity and volatility; and g) changes to the role of governmental intervention.

These changes have been interpreted as changes to the large-scale, mass production and consumption "fordistic" society, supported by the demand of government spending in the management of its Social Security and Health Care functions (mainly in more advanced nations, where the "*welfare state*" prevailed). Post-Fordistic forms of production have been emerging since the 1970s, when the manufacturing industry started to employ new technologies and a more

flexible workforce to more rapidly respond to changes in the marketplace and in international competition. This was further encouraged by new forms of government that moved away from entrepreneurial functions and restricted productive functions (Kon, 1996a).

However, if these changes take place more rapidly in industrialized countries, a previous study has also indicated similar restructuring dynamics in medium and low-income countries towards an increase in the number of services employment positions, though with lower speed and intensiveness (1997a). For each economic development level, a similar pattern of employment framework and restructuring has been identified for a period of time related to industrialization and technological modernization. Statistical data for selected countries also show that, in general, the restructuring patterns seen from the early stages of development relate to the growth of both the manufacturing and the services sectors, and to the decrease in rural positions. At higher levels, however, the increase is seen only within services sector occupations, while manufacturing positions dwindle.

Recent specialized literature (Kon, 1996b) emphasizes that the increasing prominence of services and their relevant and multi-faceted contributions to structural change arise from: a) the importance of the growing interdependency between the production of goods and that of services, as discussed above, as any material product and any service involved is created by a complex series of materials and services interchanges that involve suppliers and consumers, including subcontractors and consultants; b) the value of the specialization in services by economies in the late 20th Century, which contribute to the manipulation of raw materials, information, capital and labor in any productive or consumption activity. Interpreting the world has become a more complex task, the production of goods and services has become more capital-intensive, and the role played by such specialized services has therefore intensified; c) the manner according to which qualifications and specializations for services activities present in the workforce, exert significant influence on locational patterns. The complexity and diversity of modern services specialization

encourages bundling, at least of high-level activities, while more routine tasks can be more dispersed, though remaining centrally-controlled. These trends have been dominating the evolution of urban regions in recent years and have also influenced the locational patterns of the manufacturing sector; and d) the manner according to which technical changes create new opportunities to exploit the specialization in services.

Information and communications technologies have been leading to the industrialization of services, to organizational innovation, and to new ways to market services. Examples of changing relationships between producers and consumers are prevalent and include phone-banking, marketing, and tourism activities. Changes to the features of services manifest themselves in the production process, the product, consumption, and the marketplace<sup>1</sup>. Regarding the production of services, one may segregate changes in technology, in plant, in work processes, in the organization of such processes, in the features of the standardization of production, and in the organization of the services industry. The organization of the services industry can be further delineated along the lines of scale, public or private providers, and self-employed versus corporate production. Regarding the product, changes can be seen in the nature and features of previously existing products, as well as in the creation of new ones. On the other hand, services consumption has displayed significant changes regarding product delivery, the consumer's role, and the organization of consumption. As a result of technological innovations, services markets have also undergone radical changes to their organization, regulation, and marketing.

Due to the specific nature of public services and to diverse profit and social function objectives, these changes do not apply equally to the public and private services sectors. The nature of profitability search by private services industries, results in different changes to each one of these sectors with regards to the supply of social services, both in advanced and less-developed countries. However, both kind of agents (public and private) present common features, as including partial self-supply, intensified supply, investment in technical advancements, increasing



rationalization, subcontracting, replacement of labor input for new forms of work and machinery, quality gains, materialization of services, spatial relocation, and domestication (Kon, 1997b).

Summing up the ideas found in the literature on the causes of the restructuring of public services sector in several countries private services industries'<sup>2</sup>, we could identify the following factors: a) there exists a demand for improved health and education services; b) expansion of the transportation and communications infrastructure; c) increased defense-related spending in selected countries reflecting, until the late 1980s, the “Cold War” between the East and West; d) demography changes, including the growth of senior age-groups with greater health and social security services requirements; e) changes to family structure, including an increased number of women working outside the household and the growth of the number of single-parent families, which raises the demand for child-care and associated services; f) interventionist policies during the 1960s and 1970s, attempting to stimulate direct economic growth and restructuring, and resulting in an increased number of government employees; g) increased physical control over planning to restrict or direct urban and industrial growth and therefore limit environmental damage; h) improvements to all areas of the public sector were regarded as integral to the long post-1945 economic boom that lasted until the mid-1960s; and i) more recently, increased unemployment and the need to generate employment positions.

In many developed countries, these needs corresponded to welfare policies, but can also be seen in less advanced countries that struggled for economic development in that period. However, the slower economic pace of industrial nations in the 1960s and 1970s, and the concern over the inflation effects of increased public spending, led to attempts on cuts in some public services and to greater efficiency in the provision of others. Such pressures and the end of the Cold War justified restrictions on public spending that resulted in progressive restructuring of the sector. Additionally, a portion of the supply also moved, in some areas, from the public to the private sector or to

---

<sup>1</sup> Detailed examples are presented in Kon (1997b).

<sup>2</sup> Baily and Maillat (1991); Bannon (1987); Byson and White (1997); Marshall and Wood (1995: 186); Sauvart (1993).

goodwill not-for-profit organizations, more recently dubbed Non-Governmental Organizations (NGOs). However, public services remained a large and diversified sector in many local economies.

Many services are requirements for development, rather than being merely the final product of this development, and their proper provision becomes a crucial element in the dynamic growth of an economy. Regarding industrial countries, public intervention and market mechanisms can both be alternative sources for the provision of these services. But in the case of less advanced economies, market mechanisms can be non-existent or inadequate and, it should be noted, the public character of certain services has been used as an argument for public intervention in the services sectors of these countries. Public intervention may then take the form of direct provision of services by state-run companies or the protection of the domestic marketplace from foreign competition in order to encourage the establishment and growth of services industries in their infancy.

Such political options for developing countries have been debated in the UN<sup>3</sup> and there has recently been a very important trend towards stimulating free-market policies rather than governmental intervention. Emphasis has been given to the notion that policies that tend to exacerbate public intervention could only result in turning local economies into permanent importers of foreign services and in deepening their dependency on transnational corporations that operate in the services sector. On the other hand, most less developed countries are facing budgetary imbalances with sizable deficits and the solution to achieve balance, in most cases, is to limit public intervention and facilitate the rendering of services through market mechanisms.

### **3. The trend towards the services sector in Brazil**

The analysis of the tertiary activities deserves special attention, having in mind the important and increasing participation of workers in this sector, that present informality situations

---

<sup>3</sup> At the United Nations Conference on Trade and Development - UNCTAD.

in the Brazilian economy, as a result of the decrease of job generation dynamics in the formal labor market, as much in this sector as in others. From total Brazilian workers, about 63,2% were working with informal links in 1997 and from the whole informal occupations, 49.2% were allocated in the Tertiary sector, while respectively 35.4% and 15.4% were in the Primary and the Secondary ones.

The informal occupations increase in Brazilian Tertiary activities generates significant effects on the economy and society. An important impact is observed on the decrease of power of the formal worker, in spheres as economic negotiation, union organization and political influence. The new working forms that arises outside the companies, or related to the companies through not legalized links, demand an historical model restructuring of the labor action as an organized force. Other striking effect is the increasing heterogeneity of working situations and of social conditions that replace the traditional relations, enlarging horizontal flows of activities in substitution of vertical integration, which was previously stimulated in the companies as costs saving. The horizontal links solve some former labor absorption difficulties, although sometimes do not eliminate the authority and submission relations between worker and company, neither the explorer and explored situations. The logic organization production and of product appropriation processes pass by multiple intermediations, restraining comparisons among workers in a same occupation, however in situations of socially differentiated working.

The heterogeneity is reinforced by workers' specific characteristics, such as gender condition, immigrant worker, ethnic minority and age. Informality tends to reinforce social groupings around these characteristics, in segmenting labor markets as to generated product and related revenues. The new information technology that redefines the working processes, the employment level and the occupational structure, reinforces many times informality and increases the heterogeneity of the working relations. The elimination of jobs, inside companies, leads to less qualified activities diversification, exercised by these informal workers categories.

Some preponderant aspects were observed, which characterize the standards of the informal workers structuring, which define Brazilian quality characteristics of labor. With regard to Brazilian workers' global distribution, the biggest alterations in the nineties were presented in the increasing number of occupations with no legal contracts and of occupations through autonomous or own-account work. It is also observed that among autonomous Brazilian workers that perform tertiary activities, almost the totality are allocated in direct production area and a minority in the bureaucratic one.

On the other hand, more of 50% of these workers are represented by occupations classified as belonging to semi-qualified categories and the participation of non-qualified, mainly in manual work occupations is less significant than the previous mentioned groups. These semi-qualified workers present a significant heterogeneity regarding average revenues and education level .

Considerable sector differences are observed in the Brazilian occupational structures, according to activity nature and level of technological development: the most modernized sectors absorb a minor percentile of autonomous, which concentrate particularly in tertiary activities of Commerce, Maintenance and Reparation services and in the so-called Social Activities (mainly Education and Health care). It is finally observed that those average patterns of labor division in Brazil, reveal considerable divergences when observed at a regional approach, due to historical conditions and to the availability of natural and material resources and other macro-social determinants (cultural, political and economic), which establish a specific quality or “spatiality” for each considered space. These spaces present differentiated occupational distribution standards, with considerable big divergences as to the whole national structure. It was verified that the capacity of each region to develop differentiated productive structures, is configured in specific patterns of labor adjustment.

The ongoing changes in the world economy have direct effects on the Brazilian economy that manifest themselves through structural changes in the markets, thus demanding organizational

and production changes by companies. The services sector has been playing an important economic role in these changes, particularly with regard to employment and income generation. The level and speed of modernization required for effective and increasing participation of the Brazilian economy in the global marketplace has not yet been achieved by the local economy. This assessment applies to both the production restructuring of firms, from a microeconomic standpoint and the economy as a whole from a macroeconomic standpoint.

In a previous study on the evolution of the services sector in Brazil (Kon, 1996a), it was noted that from the beginning of the Brazilian industrialization process until 1980, effective average annual growth of services production, with generated product (GNP) used as an index, was comparable to the average global economic growth rate. In this period, the supplementary role played by these activities towards the evolution of industrial endeavors is quite clear, particularly in polarizing centers. Throughout this period, the expansion rate of services in support of industrial and agricultural activities exceeded that of services designed to serve the population directly. In recessive or stagnant periods, the ability to expand services acted as an escape valve for part of the population released from other sectors that, though in sub-employment, continued contributing to the generation of products. In the early 1990s, with the strict stabilizing measures that resulted in a considerable impediment to Brazilian economic activity, the annual growth of the services sector, until 1994, was at a level with the country's consolidated average. The examination of the country's product sector make-up, in turn, revealed the relative importance of the services sector in the economic development process. Since the 1950s, and throughout the development of manufacturing activities, the share of services in the sector make-up of the economy has been increasing constantly. In the 1950s, marked product concentration in the services sector indicated meeting the requirements for the distribution and marketing of primary goods and the development of transportation and financial infrastructure services. The capital accumulated in the agricultural sector in this period was destined to the consumption of luxury imported goods sold domestically. From the outset of the industrialization process, increased product generation by manufacturing

activities took place at the expense of the farming sector's participation, while the services sector continued to expand its share in the gross product until 1990. Not until 1995 did the data reveal expansion of the product generated by primary activities, with a slight relative drop in the share held by services. This took place in view of the fact that, in the early 1990s, services activities more actively employed a great number of workers. These tended to be less qualified individuals whose wages and productivity were naturally lower.

The study we refer to also demonstrates that structural changes for the country as a whole were less drastic than in economically polarized regions. On the other hand, average annual product growth rate per worker — a *proxy* for productivity in the services sector since the 1950s — was lower than general average rates for the country. This behavior confirms global economies' trend towards increased growth of manufacturing activities, as previously discussed. In Brazil, however, this lower productivity is more intensely felt than in advanced countries and also reflects the greater relative absorption of lower-qualification workers at low wage and low capital-intensiveness positions.

A more detailed exam of product generation in the services sector in the 1970s reveals a trend towards modernization, with services relating to the financial, transportation, and communications industries experiencing higher growth rates. Beginning in the 1980s however, changes within the service sector resulted in the stagnation of the old modernization process as services became more informal in nature and began being marketed toward a larger segment of the population. The services sector was soon comprised of companies that operated in a variety of areas within the economy and required a broad range of combinations in regards to capital-labor relationships, even among activities within a single category. Although the technological innovation process has gained momentum in Brazil in the 1990s and resulted in structural changes to both the representative classification of the economy in its entirety and to the services sector, it

is worth noting that these changes were less drastic than in manufacturing activities and, in comparison to developed economies, the modernization process is slow.

In the early 1980s, the Brazilian economy<sup>4</sup> developed slowly with regards to the process of the global modernization of services, though some isolated sectors were examples of the successful implementation of technological innovations. Conversely, one must realize that the early years of the decade were marked by a sizable decrease in growth in all sectors that culminated in 1993. The early years of decreased growth dictated economic behavior throughout the decade, despite a surge in 1985 and 1986 that was followed by a return to stagnate growth through the remainder of the decade. It was not until the 1990s that the economy was able to fully recover and resume the rapid modernization process that began in the 1970s. As a result, technological advancement in Brazil has been relatively static.

Table 1 below shows the annual growth of the population employed in specific service industries over the previous three decades. The Transports and Communications and the Other Services (which comprises Financial Activities and Services Rendered to Companies) activities present lower growth rates than in the previous decade. This indicates the aforementioned productivity gains in view of the increase in generated product. Trade, Social Activities (including Health and Education), and Public Administration still employ a large number of individuals, indicating growth rates between 6% and 7% annually.

The percentage change of the services sectors workers, as displayed in Table 2, shows the importance of Commerce in taking in labor, which has been increasing relatively since the 1970s and comprises almost  $\frac{1}{4}$  of the services sector's total. It was also seen that growth has also affected the share held by Social Activities (both public and private) which, in addition to Health and Education, comprises "non profitable goals" activities such as trade unions, cultural and sports clubs, religious activities, and NGOs (Non-Governmental Organizations dedicated to public

---

<sup>4</sup> For added detail on the behavior of the Brazilian economy in this period, see Kon (1995).

services). The decrease in the percentage of the workers in Transports and Communications, indicated in 1990 and 1999, is not associated with a loss of importance in product generation, but rather, as discussed above, reveals higher relative productivity.

**Table 1**  
**Annual growth rates of workers in the Tertiary sector, according to branches**  
**Brazil - 1970-95** **(% annually)**

BRANCHES	1970-80	1979-89	1989-95
Total	5.4	6.0	3.3
Commerce	6.0	7.1	5.3
Transports and Communications	3.8	3.2	3.7
Social Activities	7.3	6.2	2.5
Public Administration	4.1	6.1	2.0
Other Services	6.6	4.5	2.8

Source: IBGE, 1970 and 1980 Demographics Censi; PNADs for 1979, 1989 e 1995.  
 Author's elaboration

Regarding the activities included in the so called Other Services occupations, a better division per categories, in greater detail, was not feasible, so traditional lower productivity and product generation activities such as Personal Services, Household Services, and others are considered jointly with more dynamic categories such as Financial Activities and Services Rendered to Companies. These Other Services activities presented a considerable growth in the nineties, due to the lower productivity services, because the Financial Activities had a decrease in jobs positions. Other changes in this structure can be seen for the period after 1990, especially in what refers to the percentage of those that work in Commerce, Public Administration, which show a relative drop, which was counterbalanced by the increase in personal services.



**Table 2**  
**Distribution of the workers in Tertiary sector, according to branches**  
**Brazil - 1970-99**

(%)

BRANCHES	1970	1980	1990	1999
Total	100	100	100	100
Commerce	20.3	21.4	23.6	22.0
Transp./ Communications	11.1	9.6	7.2	1.0
Social Activities	13.2	15.8	16.0	18.7
Public Administration	10.8	9.1	9.2	7.9
Other Services	44.6	44.1	44.0	50.5

Source: IBGE, 1970 and 1980 Demographic Censi; PNADs for 1990 and 1999. Author's elaboration.

The evolution of the Brazilian services sector gained in speed and intensity with the Industrial Competitiveness, Productivity and Quality, and Technological Qualification Support programs implemented in the 1990s. These programs sought to stimulate competition through measures aimed at the privatization of state-owned corporations, foreign trade liberalization associated with new foreign direct investment rules, and amendments to antitrust legislation. As a result of these new rules, the modernization of companies was a necessary step to keep up with the domestic and foreign competition process that took place. Many Brazilian companies adopted forms of organizational and production restructuring comprising not only investments into equipment better suited to information technology support, but also a concentration of efforts into the companies' specialty products or "end-activities." Many companies began outsourcing a sizable share of their supplementary or support activities, such as product transportation, cleaning, equipment maintenance, employee services, publicity, and others.

A considerable share of the activities of companies in the farming and manufacturing sectors is comprised of services that are incorporated as services sector activities by means of outsourcing. This change is responsible for a measure of the increased employment and product generation that is considered as having been generated by the services sector, but was previously incorporated into the other sectors. Outsourcing was also widely implemented in the Brazilian

public sector by the Union as well as some States and municipalities. It has been found that the consequences of this process were favorable to quality, productivity and efficiency gains, and reducing costs and bureaucratic red tape (Urdan, 1994). SIMPI, the São Paulo Syndicate of Small- and Medium-Sized industries, has found that 84% of the bids held by the Municipality of São Paulo for outsource services are won by small-sized services sector firms.

On the other hand, in both the public and private sectors (more specifically in the latter), one may identify in the Health sector an increasing movement toward outsourcing specialized services. This is especially evident in the area of hospital diagnoses, where investment is high and return terms long as a consequence of technological progress, and in which outsourcing is being adopted to reduce costs. Such partnerships can also be seen in laboratories, emergency rooms, intensive care units, pharmacies, and laundries. This trend has been causing an increase in the number of small-sized firms established to provide such services, responding to the demand fueled by increases in population, improved public service demands, and the inability of the public sector to effectively provide these services.

However, certain technicians<sup>5</sup> point to the possibility of a “predatory outsourcing” process as a means of exploiting a labor market where precarious employment relationships prevail. One may find that within companies that provide outsource services, there are larger numbers of unregistered workers, lower social benefits and wages are paid to employees, protection equipment is scarce, and lower health standards apply.

Production and organizational restructuring within companies has resulted in a substantial increase to the services sector’s GNP in the 1990s. Even during the Plano Collor period, from 1990 to 1992, when economic activity suffered massive stagnation and the manufacturing sector suffered an 8.2% drop, the services sector resisted and dropped a mere 0.8%. For 1996<sup>6</sup>, growth estimates for Commerce category, which accounted for 31% of services, were favorable. This is

---

<sup>5</sup> Antonio Prado in *O Estado de São Paulo*, Dec. 5th, 1993, p. B12.

particularly true for retailers capable of providing consumer credit. The Transportation and Communications sector will also benefit, achieving an 11% share of the services sector's GNP, due mostly to the distribution of imports and governmental agricultural reserves. The growth of services has been explained as being a result of the increased mass of effective income.

If, in one respect, outsourcing has increased substantially and corresponded to a process contrary to the accelerated verticalization that took place in the 1970s, another parallel process — mergers — have likewise resulted in changes to productivity indices and employment conditions in the service arena. As a result of major companies' efforts to adjust to new productivity increase requirements, or to promote efficiency, technological development, and economies of scale to permit competing in globalized international markets, Brazil has been witness to a sizable increase in mergers since the 1980s, with significant growth in the 1990s. In the 1980s, a large number of Brazilian companies sold out due to imminent bankruptcy, tax obligations in excess of their ability to pay, and technological disadvantages resulting from small size or management difficulties. As also occurred with some oligopolistic companies in the manufacturing sector, companies in the services sector resorted to this process of adjusting to adverse Brazilian economic conditions. It must be noted however, that the merger process is also gaining in intensity in other developed countries as a way to adjust to the global economy. In Brazil, the most outstanding examples of mergers in the services sector have been occurring in the banking and financial arenas. Not only are small-sized banks taking part in this, but major financial institutions are also selling their assets to domestic and foreign institutions. Projections by specialists in this field indicated that the number of mergers in the sector would increase in 1997 as the stabilization of the Brazilian economy and the globalization of the world's economy have made the survival of small-sized banks difficult.

The purchasers of the capital stock of other firms have aims beyond the ability to obtain or expand economies of scale, decrease competition, or dominate the market by eliminating rivals. The additional goals of the purchasers are to promote marketing and distribution channel

---

<sup>6</sup> Estimates by MB Associados in *Folha de São Paulo*, may 19<sup>th</sup>, 1996, p.2-3.

economies, synergy among companies, the ability to grow with added speed and security, as well as improvement to stock prices. However, if productivity gains and the potential to increase generated output may arise from mergers, substantial changes to the level of employment also take place due to the elimination of many positions as a result of the unification of management, sales, and other services departments.

### **3. OWN-ACCOUNT WORKERS PROFILE IN BRAZIL**

#### **3.1 Concepts**

The concept of own-account worker has been elaborated as opposed to the employed worker one, since in this last sense the worker is situated in formal or informal firms as salaried labor. Thus, autonomous or own-account work is defined, in a general way, as the situation in which the worker exercises the occupations in a independent manner, it controls its production process, it is the owner of the capital employed in production and receives an income (not a salary). This income results from the difference between its expenses (with the production and with the own consumption) and revenues, and is not previously determined, because it depends on the quality and quantity of the labor offer and also of the market's direct demand in the period (Pires, 1995). The workers' specific categories which present these characteristics, include a series of occupations that can abark a range of differentiated goals that it range from the direct achievement in survival income, until the accumulation of a capital surplus that will be able to be reinvested in a wider scale of production.

For some authors, the generalized concept of own-account worker can include some categories of workers that own differentiated characteristics regarding the autonomy degree on the decision of the working process, on one side, regarding the generation and appropriation goal of the production surplus, on the other side and also as to the property of the production means. Some freelance workers offer their labor to companies in a sporadic or temporarily way, without legalized links, using production means that can belong or not to the owner of the firm and

submitting itself to the working process specified by the company. This freelance worker is differentiated from the salaried worker that acts in the company without a legalized contract, however not as a temporary work.

Another category defined in the literature and presented in the classification as own account, consists in the “own-employee” (*auto-emprego*), which is considered as a manner to distinguish the dependent occupation exercised by the employee in a company, from the independent worker that creates its own employee and also can employ other independent workers. Consolidating the idea of several researchers, this distinction is portrayed in the idea that the own-employee has some autonomy and control of his work, as well as organization independence, and they exercise an activity that belongs integrally or partially to his own business, differently from the salaried employee. In this sense, a company with an unique worker, which is at the same time the labor and the detainer of the capital, would be the best example of own-employee (Bryson and White, 1997, Pamplona, 2000). The own-employee, in this sense, would be his own boss and does not sell his manpower in the labor market, or in other words, whether employs itself as salaried or is the capitalist himself.

Other working forms of own-account domicile work, which is particularly related to outsourcing in companies occupations, as subcontracting, or franchises, can use more advanced technologies, like personal computers, other electronic instruments and also phone communications (as the recent diffusion of the telemarketing). These new occupation forms create autonomous terms of work, and have been stimulating the insertion in the labor market, of a larger number of workers that do not find possibility of a more dependent work and which comes near to the salaried one. In this case, great part of these services is responsible for the increase in women’s participation in the labor market (Aronson, 1991; Pamplona, 2000).

From these concepts, this article examines the characteristics of the Brazilian own-account or autonomous worker, particularly with regard to the different regional standards of occupational

distribution in the country. The existence of a percent of labor force that is independently occupied, is firstly related to basic hypotheses that this condition, on one side, is linked to the nature of the labor offer, with regard to the workers “human capital”. This human capital is composed in part by the workers' mental and physics capacities, which are innate, however they also are a result of acquired education, training in the working position and in other professional or specialization courses. The common characteristic of these capacities is that they keep or increase the market value of the labor offer and the working opportunity of the labor force participants (Bryson and White, 1996).

Also from the labor offer side, other assumed hypothesis is that besides the human capital, not only the characteristics of exercised occupations, but also the demographic profile of these workers influence the labor distribution outside the companies. In other words, the differences in the nature of the labor force among occupational groups associated to age, gender, race, which also reflect the diversities in experience in the labor market.

On the other hand, this distribution results not only from physical characteristics and capacities or abilities of the workers, but also from the demand for labor by the companies and by the consumers of goods and services produced by these autonomous. In this context, the demand factors of the labor market, in the more recent years, were profoundly associated to the acceleration of technological progress and of economic globalization, which determined the technological and organization restructuring of the companies, in most countries and had considerable repercussions over the nature of the productive processes and of the labor absorption capacity of the economies. The economic modernization, with the introduction of new techniques, at the same time that creates new functions and occupations, and eliminates a series of other and jobs positions.

It is also observed that the spatiality of the freelance workers distribution is dependent of the global system of socioeconomic changes, and results from historical and natural determinants,

but also of the interrelations inside the social macro-system, in other words, among the cultural, participation (status), politic and economic subsystems (Kon, 1995).

### **3.2 Brazilian informal workers' distribution in services activities**

As previously seen, the analysis on informality of the Brazilian tertiary activities here accomplished, adopts the concept that the jobs in companies with no legal register and the own-account occupations have the character of informal work in the context of the labor market, although it can be found indefinite situations of labor that were framed in the formal sectors. The year of 1997 was used in this empiric analysis, because is the last available year in which it was possible the preparation of the informations according to the Occupations Typology necessary for the proposed analysis.

As previously observed, about 49.2% of the total of informal occupations in Brazil are situated in the Tertiary sector of the economy. Table 3 shows the distribution of these occupations in several sub-sectors. In considering the total occupations in the Tertiary sector, almost 64% operate in informal terms, and it is verified a disadvantage for the feminine gender, since about 76% of the women work on the informal sector. Although the masculine situation is less disadvantageous, the participation among informal jobs is significant, overcoming 46% of the workers.

It is also seen that from the total workers of the sector, the participation of the workers with no legal register in the firms is above 47% and the own-account (OA) exceed 31%. If is considered together to these autonomous workers the domestic paid services without legal register (9.1%), the O-A will incorporate more than 1/3 of the tertiary occupations. For all the occupations categories, it is found the disadvantageous situation of the feminine gender. The sector branches in the Table shows, that among the so called Other Services occupations, which enclose personal, reparation, lodging and alimentation services, the informal condition is higher, since more than 71% of the workers have no legal register.

**Table 3**  
**Service sector informal workers, according to branches and gender**  
**Brazil, 1997**

	NR/BR			OA/BR			(%) Informal		
	Total	M	W	Total	M	W	Total	M	W
<b>TOTAL</b>	47.2	38.8	58.7	31.1	25.4	39.9	63.9*	46.3*	75.6*
Commerce	29.6	30.1	28.8	36.3	35.2	37.9	65.8	66.3	64.0
Transports/Communication	47.5	49.7	26.3	0.1	0.1	0.0	47.6	49.7	26.4
Social Services	26.1	32.5	23.9	1.2	2.4	0.8	27.3	33.7	26.3
Auxiliary Services to Firms	49.4	54.1	40.7	7.5	7.6	7.2	56.9	61.6	48.4
Other Services	60.2	50.9	66.7	11.1	13.3	9.6	71.4	62.0	80.0

Source: IBGE – PNAD/97. Author's elaboration.

Nota: M = Men; W = Women ; NR/BR = No Register/ Brazil Total; OA/BR = Own-Account/ Brazil Total.

\* It includes domestic services workers with no legal register which represent 9.1%, 0.5% and 8.5% respectively for the total, men and women.

### 3.3 Occupational distribution of workers with no legal register in firms

The exam of the composition of the firms workers that work with no legal register in the tertiary activities, according to occupational categories, as it seen in Table 4, reveals that it is in the direct production area of the services that the most part of the workers are allocated, which represent about half the occupations of this category, while in the administration area, almost  $\frac{1}{4}$  of the jobs don't offer legal conditions.

It is observed that is not only among the smaller qualification categories that the informal workers are concentrated. In some branches as Auxiliary Services to Firms and Other Services, the participation of qualified workers with technical level of education, in the production process area, is around 60%, and in the first mentioned branch, the qualified workers with university level reach almost 69% of the occupations, while in the administration categories the concentration is above 80%.



**Table 4**  
**Service sector distribution of workers with no legal register, according**  
**occupational categories.**  
**Brazil, 1997 .**

(%)						
<b>Occupational Categories</b>	<b>Total</b>	<b>Commerce</b>	<b>Transports and Communic.</b>	<b>Social Services</b>	<b>Auxiliary Services to Firms</b>	<b>Other Services</b>
<b>FIRMS</b>	43.5	46.4	47.6	26.5	53.4	71.4
<b>Salaried</b>	20.9	21.1	16.6	16.9	29.1	21.8
<b>Production</b>	49.6	45.8	51.4	28.8	58.1	75.5
Qualified 1	47.5	31.6	0.6	45.4	59.9	63.9
Qualified 2	30.1	23.9	14.0	29.8	68.7	25.1
Semi-qualified 1	52.7	47.2	26.9	23.0	60.3	75.3
Semi-qualified, 2	51.8	22.9	60.3	20.8	24.6	65.9
No-qualified	64.3	50.8	66.7	34.7	47.7	84.8
<b>Administration</b>	22.8	22.7	11.9	19.2	46.4	16.2
Qualified 1	15.4	7.3	4.3	5.9	45.8	9.3
Qualified 2	45.3	10.3	10.3	7.6	80.9	11.1
Semi-qualified 1	19.0	20.7	11.9	15.5	31.6	16.3
Semi-qualified, 2	23.8	29.1	27.8	19.6	35.4	24.1
No-qualified	24.2	36.5	15.5	25.0	32.9	19.5

Source: IBGE – PNAD/97. Author's elaboration.

Note: Qualified 1 = High School; Qualified 2 = Graduate; Semi-qualified 1 = Lower qualification and no command; Semi-qualified 2 = Higher qualification and command.

The semi-qualified workers, that have or not leadership positions in the production process, which do not have legalized links, represent more than a half of the services workers, however with smaller intensity in the Social Services. Also among the non-qualified the participation is not homogeneous, because in the direct production area are allocated about 35% of the Social Services activities, while in the Other Services they represent almost 85%.

On the other hand in the office administrative and bureaucratic occupations, the condition of workers with no legal register is less representative, except the category of qualified with university level in the Auxiliary Services to Firms, where a concentration of more than 80% is observed. On the other side, the smaller participations (below 10%) of the non registered workers are verified among the qualified with technical level of education, of the Commerce, Transport and Communications, Social and Other Services activities.

### **3.4 The distribution of the own-account and paid domestic workers.**

With regard to the paid domestic workers, which represented in 1997, in average 12% of the Brazilian workers, it is observed that above 77% exercise activities with no legal registration, in other words 9.1% regarding the total workers of the country. From these, almost 93% are women, representing 8.5% from the national total.

Concerning the other autonomous, in a previous research (Kon, 1995), it was verified that the sector distribution of these workers at the end of the eighties in the tertiary activities, show that the Professionals are only concentrated in activities of Social Services (particularly Education and Health), where they corresponded to more than 2% of workers of the sector, of which almost 60% belonged to the masculine gender, and also in the Auxiliary Services to Firms, where they occupy less than 1,5%, represented by 66% of men.

The rest of the own-account which correspond to occupations that mostly require semi-qualification, are allocated more intensely in the Reparation Services, Commerce and in the so called Other Services, with participations from 18% to 28% of the sectors. The highest feminine concentrations are found in Social Services, Auxiliary Services to Firms and in the Other Services, where they corresponded from 40% to 70% of the workers, because in the other sectors, the absorption of men is predominant, that is, around 70% of the workers in Commerce and in almost totality in the other sectors. From the total own-account only 8% contributed to the social welfare tax.

Table 5 shows the sector distribution for 1997, comparing the tertiary activities with the other economic sectors ones, regarding the composition in each occupational category separately. Thus, it is seen that from the total, something above 32% were dedicated to occupations in the Primary sector, 25,6% in the Secondary and the highest concentration was presented in the Tertiary one, with 42,3% of the workers. The Professionals concentrated on more than 90% in the services

sector and slightly below 8% in the secondary activities. As in the previously analyzed period, they were located particularly in activities of Social Services (almost 68%), although in the Maintenance and Reparation Services were allocated above 20% of the workers of this category. In the Public Administration the participation of 4% was composed by consultants specialized in several specialization areas.

**Table 5**  
**Sector distribution of own-account workers according to occupational categories – Brazil.**

Sectors	Professionals	Other Managers	Qualified *	Semi- qualified	Non- qualified	TOTAL
<b>TOTAL</b>	100.0	100.0	100.0	100.0	100.0	100.0
<b>PRIMARY SECTOR</b>	0.0**	0.0**	0.0**	12.2	0.0**	32.1
<b>SECONDARY</b>	7.6	0.0**	18.4	45.1	0.9	25.6
<b>TERTIARY SECTOR</b>	92.4	100.0	81.5	42.7	99.1	42.3
Commerce	0.0**	3.1	0.3	22.2	97.0	27.0
Transports and	0.0**	0.7	0.1	0.0**	0.0**	0.0**
Maintenance and	20.4	50.9	40.6	20.1	0.5	13.1
Social Services	67.8	0.0**	16.1	0.3	0.1	0.6
Public Administration	4.2	0.0**	1.5	0.0**	0.0**	0.03
Auxiliary Services to	0.0**	43.5	22.8	0.1	1.1	1.5
Other Services	0.0**	1.9	0.0**	0.0**	0.4	0.1

Source: IBGE – PNAD/97. Author's elaboration. \* High School Level.

The autonomous which belong to the category of Other Managers correspond to workers who own and manage an amount of fixed capital (in a wide value interval) invested in the own-account production, that occupy dealers' activities, brokers, proprietary, shows and events producers and directors. These workers were totality located in the services sector, specifically in Maintenance or Reparation Services and in Auxiliary Services to the Companies. On the other side, among qualified workers with technical level of education, 82% were found in tertiary activities, specifically concentrated in Maintenance and Reparation Services (almost 41%), Auxiliary Services to Firms (almost 23%) and in the Social Services (16%). They can be also be found in other tertiary sectors, with no significant representativeness.

The semi-qualified category in the Primary sector, corresponded to more than 12% of these own-account, as agricultural tractor operators and other agricultural workers, hunters, fishermen, lumbermen, lumberjacks, coalmen, other forest and vegetable catchers, mining products, among others. Most of the workers of this category were dedicated to the activities of the Secondary Sector, particularly in the Construction (almost 29%) like masons, masons servants, painters, whitewash, asphalt, caulk and stucco workers, glaziers, and machines operators. In the Transformation Industry (more than 16%), the semi-qualified were working either by supplying their labor for firms (in general small size ones), or selling their products directly in the market.

The other own-account worked in the Tertiary sector and were located mostly in Commerce, as salesmen, hawkers and travelers, commercial representatives and advertisers and in Maintenance and Reparation Services, as mechanics, welders, rivet operators, forgers, tinkers, dressmakers, tailors, costume designers, embroiders, darners, hatters, shoemakers, joiners, carpenters, upholsterers and electric or electronic equipment fixers. This category of autonomous was also found in the activities of Social and Auxiliary Services to Firms, however with no significant participations.

The non-qualified own-account were located almost totality in activities of Commerce, although no significant participations were observed in the Secondary sector (less than 1%) and in other services activities.

Table 6 presents a different approach, where the autonomous distribution in occupational categories is observed for each activity sector. For the whole economy, it is seen that almost 3/4 of the own-account are allocated in semi-qualified occupations, and almost 20% in non-qualified ones. In the primary activities, the totality exert semi-qualified occupations and in the secondary ones, almost the totality of autonomous are concentrated in this category.

**Table 6**  
**Own-account workers distribution in occupational categories according to**  
**Brazil – 1997**

Sectors	Professional	Other Managers	Qualified *	Semi- qualified	Non- Qualified	TOTAL
<b>TOTAL</b>	0.2	2.7	2.5	74.8	19.9	100.0
<b>PRIMARY SECTOR</b>	0.0**	0.0**	0.0**	100.0	0.0**	100.0
<b>SECONDARY</b>	0.04	0.0**	1.8	98.1	0.1	100.0
<b>TERTIARY</b>	0.2	4.7	3.6	56.4	35.0	100.0
Commerce	0.0**	0.2	0.0**	45.9	53.8	100.0
Transports and	0.0**	84.0	16.0	0.0**	0.0**	100.0
Maintenance and	0.0**	7.7	5.8	85.7	0.6	100.0
Social Services	0.1	0.0**	50.2	30.9	2.2	100.0
Public Administration	0.0**	0.0**	82.1	0.0**	0.0**	100.0
Auxiliary Services	0.0**	58.3	28.7	2.6	10.5	100.0
Other Services	0.0**	40.1	0.0**	0.0**	59.9	100.0

Source: IBGE – PNAD/97. Author's elaboration. \* High School Level. \*\* Near

Among the Tertiary branches great heterogeneity is observed, because the concentrations of own-account are localized in differentiated occupations, according to the availability of fixed capital invested, or particularly with regard to the level of required qualification. Therefore, in Commerce more than half of non-qualified workers and about 46% exercise occupations that demand some qualification level, in other words, semi-qualified. The Transport and Communications branch aggregates the highest representativeness of the so called Other Managers occupations (84% of this activities workers) particularly exerting taxi and other load vehicles owners and drivers occupations, the same occurring in the Auxiliary Services to Firms (58%). In the other categories, the autonomous in the Maintenance and Reparation activities are concentrated on 86% among semi-qualified occupations, while in Social Services (Education, Health and non profitable activities) and in Public Administration, the highest concentration is found in the qualified with technical schooling occupations.

#### **4. FINAL CONSIDERATIONS**

The role played by services in economic development has different features in developed and developing countries, but it is fundamental, at any level of development, as the main source of labor positions. However, the role played by services goes beyond this, because it is a requirement for development, rather than just a result of it. Therefore, its appropriate provision becomes a crucial element in the dynamics of the development process of any economy. In this sense, governmental services play a fundamental role in less developed countries, whether through the supply of public goods or the supplementation of private services, in order to provide an infrastructure of educational and health services that prepare the economy to follow the path of economic development.

Productive restructuring in economies, at several development stages, has been associated with the speed and degree of technological innovation in production and organizational processes. This is especially seen in the sectors, which include telecommunications processes and information technology services, which are associated with the transfer of information and knowledge. In addition, the relevance of services in foreign trade has been witnessed through the experience of both modern and less developed economies, as has been its impact on the local and regional development of such economies. These regional changes have recently led to a different national model of economic influences based on different development centers in a single region, instead of the former theory of a single central location within each region.

The analysis of the trend towards the service sectors in Brazil reveals that the productive restructuring process that leads to the increase participation of services activities, is constant and gradual, in a similar manner similar as in developed economies, but relatively slower in this country. The Brazilian trend towards the service sector is a consequence not only of economic development, as in the case of other industrial economies, but also as an adjustment to labor and income generation requirements under economically unfavorable circumstances.

One may note that in Brazil, service activities regarded as modernization and globalization catalyzers, such as Communications and Transports, fail to exhibit the evolutionary dynamics compatible with a significant level of development. Parallel to the productive restructuring process, the qualification of the labor force has not suffered significant changes, which indicates a relevant bottleneck for the introduction of more sophisticated technological advances. This has, as an effect, the fact that structural changes in the participation of the service branches are slower than those seen in the employment framework. This means that the trend towards the service activities affects more intensely the labor market, through the creation of a great number of less technologically advanced activities, and clearly indicates that product generation has failed to keep pace with the relative growth of the labor force.

The increase of informality in the Brazilian Tertiary activities entails significant effects on the labor market, with affects the whole economy and the country's social conditions. An important impact is the decrease of the power of the organized labor force, as in the spheres of economic bargain, union organization and political influence. The new forms of labor relations that are arising outside the firms, or related to firms companies as a not legalized relation, demand the restructuring of the historical model of the labor union action as an organized force. Other striking effect is the increase of the heterogeneity of the working situations and of social terms that replace the traditional relations, enlarging horizontal flows of activities that replace the vertical integration previously stimulated in the companies as costs savers. This occurs although many times do not eliminate the authority and submission relation between worker and the firms, neither the explorer and explored situation.

The logic organization processes of product production and appropriation, many times pass by multiple intermediations preventing the comparison among workers in a same occupation, however in situations of socially differentiated labor. This heterogeneity is reinforced by workers' specific characteristics, such as gender condition, immigrant worker, ethnic minority and age.

Informality tends to reinforce social groupings around these specificities, segmenting the product market and the associated revenues. The new information technology that redefines the working processes, the job level and the occupational structure, many times reinforces informality and the increase of the heterogeneity of the working relations. Jobs elimination in firms, generally of non-qualified workers, leads to diversification of less qualified activities, exercised by these workers (Castels, 1999).

Some preponderant aspects were observed, which characterize the standards of informal workers structuring, which define Brazilian special characteristics. With regard to the workers' global distribution in the country, the highest alterations in this last decade, was presented in the increase of occupations with no legal registration and of own-account occupations. It is also observed that among the Brazilian autonomous exerting tertiary activities, almost the total was allocated in the goods and services direct production area and a minority in the bureaucratic one.

On the other hand, these workers are represented in more than a half by occupations belonging to the semi-qualified group and the participation of non-qualified, is mostly found in occupations related to heavy manual works or as not proprietary dealers, and it is less significant than the previous category. These semi-qualified own-account show a significant heterogeneity regarding average revenues and education level (Kon, 2000).

Considerable sector differences are observed in the occupational categories structuring, according to the nature of the activities and the level of technological development: the most modernized sectors absorb a lower percentile of autonomous, which were concentrated particularly in tertiary activities of Commerce, of Maintenance and Reparation and in the so called Social Activities (Education and Health). It is finally is noted that these average standards of labor division in the country reveal considerable divergences when observed other macro-social indicators for the several spaces, regarding historical determinants and the availability of the natural and material base of resources. These conditions establish a specific quality for each



considered space, which assume differentiated characteristics of occupational distribution, with divergences with regard to the national one. It verified that the capacity of each region to develop differentiated productive structures, configures specific standards of adjustment of the labor force.

In short, the trend towards the services sector seen in Brazil which, as in more advanced countries, has been gaining momentum with the current process of productive restructuring, shows different features from those seen in countries with higher economic development level. In those industrial countries, the growth of the service sectors has been taking place mostly as a result of the technological and organizational restructuring of manufacturers and as a side effect of the economic globalization process. In contrast to the modernization process witnessed in such countries, the increase in services activities has been taking place in Brazil, less as a result of an increase in more sophisticated services aimed at serving new technologies, and more by the creation of new own-account and informal positions or small and medium-sized firms that use less advanced technologies and require lower qualification levels.

Therefore, the organizational restructuring associated with new technologies, outsourcing, and mergers, which are also occurring in Brazil, resulted in the elimination of a significant number of employment positions in the firms. However, they also create several new consumption and supplementary services requirements. We also note some changes in the occupational structure (Kon, 2000). Some occupations became obsolete and replaceable, particularly those connected to the management control process, while new positions were created, such as those aimed at labor force qualification, environmental protection, or quality of living.

The net movement of the elimination and generation of new work opportunities in the Brazilian economy, has yet to be fully evaluated. In order to properly assess this situation, specific statistical surveys must be created for this purpose. However, the available information on global unemployment in the Brazilian economy indicates increasing rates since the 1990s due to the trend of jobs elimination and informal contracts in formal firms. This situation is the result, on one side,

of the economic crisis periods since the eighties and of the political measures that followed each period. However, these indicators also reflect the adjustments through the informal market and the increased precariousness of work conditions in the Brazilian economy.

## REFERENCES

ABREU, Alice, R. de Paiva y SORJ, Bila, "Trabalho a Domicílio nas sociedades Contemporâneas - Uma Revisão da Literatura Recente", en Abreu, A .R.P. (org) *O Trabalho Invisível*, Rio de Janeiro, Rio Fundo Ed, 1993.

AMADEO, Edward J., SCANDIUZZI, João Carlos e PERO, Valéria, "Ajuste empresarial, empregos e terceirização", *Revista de Economia Política*, vol. 16, n<sup>o</sup> 1 (61), janeiro-março/1996.

BAILY, Antoine and MAILLAT, Denis, "Service Activities and Regional Metropolitan Development: a Comparative Study", Daniel P.W. (ed.) *Services and Metropolitan Development*, Routledge, New York, 1991.

BANNON, M.J., " The Tertiary Sector and National Development: The Case of Ireland", Ferre and d'Entremont, A. (ed.) *The Changing Geography of Urban Places*, University of Navarra, 1987.

BRUSCHINI, Cristina, "Desigualdades de Gênero no Mercado de Trabalho Brasileiro: o Trabalho da Mulher nos Anos Oitenta", en Fernandes, Reynaldo (org.) *O Trabalho no Brasil no Limiar do Século XXI*, São Paulo, Ed.LTr, 1995.

BRYSON, Alex & WHITE, *Moving in and out of self-employment*, London, Policy Studies Institute, 1997.

CACCIAMALI, Maria Cristina, *Globalização e processo de informalidade*, Texto para Discussão N<sup>o</sup> 01/2000, São Paulo, IPE/USP, 2000.

CACCIAMALI, Maria Cristina, *O setor informal urbano e formas de participação na produção*, São Paulo, Ed. IPE, 1983.

CASTELLS, Manuel, *A Sociedade em Rede*, Paz e Terra, São Paulo, 1999

IBGE, *Pesquisa Nacional por Amostra de Domicílios*, CD ROM- Microdados, Rio de Janeiro, 1997.

ILO, 15<sup>a</sup> Conferência de Estatísticas do Trabalho, Genebra, OIT, 1993.

ILO, *Employment, income and equality: a strategy for increasing employment in Kenya*, Geneve, OIT, 1972.

ILO, Year Book of Labour Statistics, Geneve, ILO, 1997.

KON, Anita, *Evolução do Setor Terciário Brasileiro*, NPP-EAESP/FGV, Relatório N<sup>o</sup> 14, 1996a.

KON, Anita, "Tecnologia e Trabalho no Cenário da Globalização", *Globalização*, Ed. Vozes, São Paulo, 1997a.

\_\_\_\_\_, *A Estrutura Ocupacional Brasileira: uma abordagem regional*, Brasília, SESI, 1995.

\_\_\_\_\_, *Perfil dos trabalhadores por conta própria no Brasil*, Relatório de Pesquisas, NPP-EAESP/FGV, 2000.

\_\_\_\_\_, *Reestruturação Produtiva e Terciarização*, Relatório de Pesquisa, NPP-EAESP/FGV, 1997b.

\_\_\_\_\_, *Service Industries and the Service Economy*, Research Report, UIUC, Illinois, 1996b.

MARSHALL, J. Neil & WOOD, Peter A., *Services and Space: Key Aspects of Urban and Regional Development*. Longman Group Limited, Harlow, England, 1995.

NOYELLE, T.J. and STANBACK, T.M., *The Post-War Growth of Services in Developed Economies*, Report to United Nations Commission on Trade and Development, Geneva, 1988.

NOYELLE. T.J., *The International Services Economy*, paper presented at Localities in An International Economy Workshop, University of Wales, Institute of Science and Technology, Cardiff, 1986.

NUNURA, Juan Bautista Chully, *Ajustamento e informalidade no mercado de trabalho peruano: 1950-1989*, Tese de Doutorado, IPE/USP, 1992.

NUSBAUMER, Jacques, *The Service Economy: Lever to Growth*, Kluwer Academic Publishers, Boston, 1987.

OECD, "The Contribution of Services to Employment", *Employment Outlook*, Sep/1984.

PAMPLONA, João Batista, *Erguendo-se pelos próprios cabelos. Auto-emprego e reestruturação produtiva no Brasil*, São Paulo, PUC/SP, Tese de Doutorado, 2000.

PIRES, Elson L.S., *Metamorfose e regulação: o mercado de trabalho no Brasil dos anos 80*, São Paulo, FFLCH/USP, Tese de Doutorado, 1995.

RIDDLE, Dorothy I., *Service-Led Growth. The Role of the Service Sector in World Development*, Praeger Publishers, N.Y., 1986.

SAUVANT, Karl P., *The Transnationalization of Service Industries*, United Nation, Transnational Corporations and Management Division, NY, 1993.

SOUZA, P. R. e TOKMAN, V. E., "El sector informal urbano", em *El empleo en América Latina*, México, Ed. Siglo XXI, 1976.

TATE, J., *Every pair tells a story*, UK, Employment and Industrial Affairs, 1996.

URDAN, André Torre, "O papel possível e os critérios necessários na tendência da terceirização no setor público", em *Anais do 18<sup>o</sup> ENANPAD*, vol. 3, Curitiba, 1994.